CHAPTER VIII

MEDICAID CREDIT BALANCE REPORTING

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INTRODUCTION

In accordance with recommendations of the Inspector General of the Department of Health and Human Services (Region III), the Social Security Act, and 12 VAC 30-10-930 and 460-01-86.1, hospital providers are required to submit a completed Medicaid Credit Balance Report (MCBR) each quarter (see "Exhibits" at the end of this chapter for a sample of this form). Reports are due 30 days after the end of each quarter. The purpose of these requirements is to foster quick review and refunding of identified Medicaid credit balances. Accordingly, a check and void/adjustment form must accompany the quarterly report in accordance with these instructions. Also note that failure to submit a report can result in reduction of a hospital's Medicaid per diem payment in accordance with the regulation. The Chief Administrative or Finance Officer **must sign** the certification on the back of the form.

The MCBR is used to monitor the identification and recovery of "credit balances" due to the Medicaid Program. A credit balance is defined as an improper or excess payment made to a provider as the result of patient billing or claims processing errors. An example of this is a provider being paid twice for the same service (e.g., by Medicaid and commercial insurance). Because of Medicaid's last payer status, a refund is due to Medicaid. For purposes of completing the MCBR, a Medicaid credit balance is an amount determined to be refundable to Medicaid. Generally, when a provider recovers an excess or improper payment for a claim, it is reflected in the accounting records (as a credit balance in the subsidiary patient accounts receivable record). Preparation of this form will require a detailed review of subsidiary patient accounts receivable records and an analysis of those records with credit balances.

SUBMITTING THE MEDICAID CREDIT BALANCE REPORT

Submit a MCBR to the following address no later than 30 days after the quarter-end. The address is:

> Cost Settlement and Reimbursement Division
> Attn: Credit Balance Unit
> Department of Medical Assistance Services
> 600 East Broad Street, Suite 1300
> Richmond, Virginia 23219

The report must include all Medicaid credit balances reflected in the hospital's accounting records as of the last day of the reporting quarter.

If there are questions, contact the Third Party Liability Manager at the above address or call 804-786-3348.

COMPLETING THE MCBR FORM

The MCBR consists of a certification page and a detail page(s). The certification page must be signed by the Administrator or Chief Financial Officer. If no Medicaid credit balances are reflected in the hospital's records for the reporting quarter, the certification page must still be signed and submitted attesting to this fact.

The detail page(s) requires specific information on each credit balance, on a claim-by-claim basis. Use as many pages as necessary to accommodate all credit balances to be reported.

Segregate credit balances arising from inpatient services from those attributable to outpatient services by reporting them on separate detail pages.

Complete the MCBR as follows. Provide the information required in the heading area of the detail page(s). The required information is:

- The full name of the facility;

- The facility's provider number (if there are multiple provider numbers for dedicated units within a facility, complete a separate MCBR for each provider number);

- The month, day and year of the reporting quarter (e.g., 4/30/00);

- The number of the current detail page, including the certification page; and

- The name and telephone number of the individual who may be contacted regarding any questions that may arise with respect to the credit balance data.

Complete the data fields for each Medicaid credit balance by providing the following information**:**

Column 1 - The last name and first initial of the Medicaid beneficiary

Column 2 - The Medicaid recipient identification number

Column 3 - The claim reference number (from the Medicaid remittance advice)

Column 4 - The month, day, and year the beneficiary was admitted or service was rendered

Column 5 - The month, day, and year the beneficiary was discharged (if applicable)

Column 6 - The month, day, and year the claim was paid

Column 7 - A "O" if the claim is for an open Medicaid cost report period, or a "C" if the claim pertains to a closed cost reporting period. (An open cost report is one for which a NPR has not been issued. A cost report is not considered to be open if it was reopened for a specific issue such as graduate medical education).

Column 8 - The amount of the Medicaid credit balance that was determined from patient accounting records

Column 9 - The amount of the Medicaid credit balance identified in Column 8 being repaid with the submission of this report

Note: (As discussed below, Medicaid credit balances must be repaid at the time the MCBR is submitted to DMAS.)

Column 10 - Place a "C" when a check is being submitted with the MCBR to repay the credit balance amount shown in Column 8, an "A" if an adjustment request is being submitted or a "V" if a void is attached.

In cases where a check and void are submitted, place a C/V; in cases where a check and an adjustment are being submitted, place a C/A.

Column 11 - The amount of the credit balance that remains outstanding (Column 8 minus Column 9) Show a zero if full payment is made.

Note: An explanation must accompany all cases where there is an outstanding credit balance unpaid.

Column 12 - The reason for the Medicaid credit balance by entering a "1" if the result of duplicate payments, a "2" if primary payment by another insurer, or a "3" if for other reasons. If for other reason, please explain.

Column 13 - The name and address of the primary insurer identified in Column 12. This is extremely important to ensure proper coordination of benefits. Use the reverse side of the form if additional space is needed.

Column 14 - The amount of the primary payer payment applied to the claim

Column 15 - Check (x) only if an adjustment request was previously submitted

PAYMENT OF AMOUNTS OWED MEDICAID

All amounts owed Medicaid shown in Column 8 of the MCBR must be paid at the time the report is submitted. Payment must be made by check made out to the Commonwealth of Virginia.

Void/adjustment transactions must also be submitted with the MCBR to ensure that the claims history file shows the proper adjudication of the claim and to ensure that provider

1099 earnings are appropriately reported to the Internal Revenue Service.

RECORDS SUPPORTING MCBR DATA SUBMISSIONS

Providers must develop and maintain documentation for the preparation of the MCBR which shows that each patient record with a credit balance was reviewed to determine credit balances attributable to Medicaid and the amount owed. At a minimum, the procedures must: 1) identify whether or not the patient is an eligible Medicaid beneficiary and 2) identify other liable insurers and the primary payer. This information must be maintained and available for review and audit.

EXHIBITS

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PROVIDER NAME: _____

PROVIDER NUMBER: _____

QUARTER ENDING: _____

TYPE OF CLAIM: _____ (Inpatient/Outpatient)

PAGE _____ OF _____

CONTACT PERSON: _____

PHONE #: (AREA CODE)_____ - _____

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Beneficiary Name	Medicaid #	Claim Reference #	Admission Date MM/DD/YY	Discharge Date MM/DD/YY	Paid Date MM/DD/YY	Cost Report O/C	Amount of Credit Balance	Amount Repaid	Method of Payment	Credit Balance Outstanding	Reason	Name/Address of Primary Insurer	Amount of Primary Payment	ADJ (x)

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